

# **FISCAL NOTE**

## **HB 3098 - SB 3239**

February 19, 1998

**SUMMARY OF BILL:** Prohibits any higher education institution in Tennessee from selling lists of names of students to credit card companies and prohibits on-campus recruitment by any credit card issuer. It also prohibits gifts to students as an incentive for applying for a credit card. Allows the Attorney General to institute a proceeding if there is reason to believe that any person or entity has violated this provision.

### **ESTIMATED FISCAL IMPACT:**

#### **Decrease State Revenues - Exceeds \$3 million**

Assumes the universities would stand to lose over \$3.8 million per year in affinity card revenues as these agreements allow student solicitation. Affinity card vendors typically provide up front monies to institutions for names of employees, alumni, and students. The institutions also receive a percentage from the vendor from charges applied to the cards. This estimate is based upon contractual agreements already in place by the institution or from agreements that are in current negotiations and are ready to be signed. There may also be additional loss of revenues associated with advertising placed by credit institutions in student newspapers.

#### Loss of Revenue:

UT: \$2.3 million  
MTSU: \$1.0 million up front payment plus undetermined  
revenues from percentages of charges.  
ETSU: \$0.5 million up front payment plus undetermined  
revenues from percentages of charges.

Other institutions have agreements with Alumni associations and are not student based. However, if any alumni or employees are students, there could be some impact on existing agreements.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

## **HB 3098 - SB 3239**

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director